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A 280.3449
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Volume 3

Reserve

MILK MARKET INFORMATION
CHATTANOOGA TENNESSEE MARKETING AREA
September 1958

Number 2

Released Pursuant to §1000.27 (j) and §1000.85, USDA-AMS
Federal Order No. 100, 3756 Ringgold Rd., Chattanooga 11, Tennessee
J. B. McCroskey, Market Administrator

MARKET SUMMARY SEPTEMBER 1958

The Order MINIMUM uniform price payable to producers for milk delivered during September to pool plants located less than 65 miles from City Hall, Chattanooga, Tennessee and distributing milk in Hamilton, Bradley, and McMinn Counties Tennessee is \$4.77 per cwt. f.o.b. plants for milk testing 4.0% butterfat. The butterfat differential is 7.4¢ for each one tenth of one percent above or below 4 percent. (See page 3)

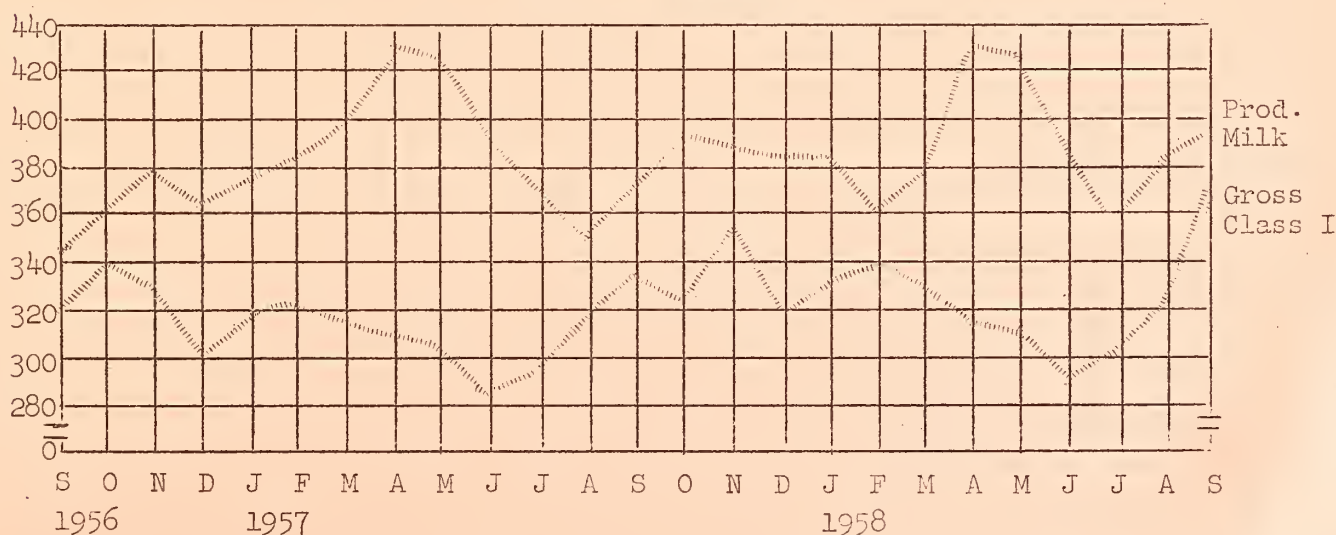
During September 89.4 percent of total producer milk was priced in Class I at \$4.96 per cwt. with a handler butterfat differential of 7.6¢ and 10.6 percent was priced in Class II at \$3.45 per cwt. with a butterfat differential of 6.9¢. (See page 3) The percent of producer skim and butterfat priced in Class I was 89.9% and 78.7% respectively.

The daily average deliveries of producer milk during September increased 2.3% compared with August and increased 4.2% compared with September 1957. The daily average use of Class I milk increased 17.2% compared with August and increased 13.4% compared with September 1957. The number of producers during September 1958 was 33 less than September 1957; however September 1958 daily average producer deliveries per farm increased 40 pounds per day over September 1957.

NUMBER OF FARM PAYROLL ACCOUNTS

	1957				1958									
	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	
New	17	13	3	3	2	0	1	3	0	0	2	18	23	
Quit	12	12	4	4	8	2	4	4	7	4	7	19	26	
Total	811	812	811	810	804	802	799	798	791	787	782	781	778	
Cans	696	686	675	667	647	641	626	614	600	586	553	516	489	
Bk. Tank	115	126	136	143	157	161	173	184	191	201	229	265	289	

DAILY AVE. PROD. RECEIPTS COMPARED TO GROSS CL. I UTILIZATION
(1000 lbs. per day)



COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	<u>Sept. '58</u>	<u>Aug. '58</u>	<u>Sept. '57</u>
	21	21	21
Number of Plants (Pool and Non-Pool)			
GROSS RECEIPTS (DAILY)			
Producer Milk - Cans	219,170	221,156	295,966
Producer Milk - Bulk Tank	172,978	162,274	80,404
Total Producer Milk Pounds	392,148	383,430	376,370
% September '58 compared with:	100.0	102.3	104.2
Other Source Milk Pounds	11,524	8,442	7,484
Other Order Milk Pounds	25,581	23,435	17,293
TOTAL RECEIPTS MILK POUNDS	429,253	415,307	401,147
% September '58 compared with:	100.0	103.4	107.0
GROSS UTILIZATION (DAILY)			
Class I Milk Pounds:			
Fluid Milk	284,269	252,425	268,096
Buttermilk	36,555	35,793	35,138
Chocolate Milk	8,749	8,100	7,896
Fluid Skim	6,473	5,882	4,527
Fluid Creams	1,953	1,935	1,818
Bulk to Non-Handlers	41,680	17,985	15,102
Class I Shrinkage	2,034	2,368	3,415
Inventory Reclass.	(1,657)	(377)	(846)
Overstated Sales	(117)	(52)	-
Total Class I Milk	379,939	324,059	335,146
% September '58 compared with:	100.0	117.2	113.4
Class II Milk Pounds (Used to Produce)			
Butter	1,200	653	1,727
Cottage Cheese	11,566	10,999	10,141
Powdered and Condensed Milk	5,006	45,736	16,375
Ice Cream	19,423	20,721	15,521
Inventory Variation	1,261	3,331	13,577
Other	10,858	9,808	8,660
Total Class II Milk	49,314	91,248	66,001
% September '58 compared with:	100.0	54.0	74.7
TOTAL UTILIZATION CL. I AND CL. II MILK LBS	429,253	415,307	401,147
% Producer Milk of Gross Class I	103.2	118.3	112.3
% Producer Skim of Gross Class I Skim	102.7	117.7	111.6
% Producer Butterfat of Gross Class I Butterfat	117.4	134.6	131.4
% Producer Milk Priced in Class I	89.4	77.6	84.2

OCTOBER 1958 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	<u>Oct. '58</u>	<u>Sept. '58</u>	<u>Oct. '57</u>
Basic Formula (See page 4)	\$3.45	\$3.35	\$3.61
Plus (\$ 1000.51 (a)(1))	1.75	1.75	1.75
Supply-Demand Adjustment	-0.06	-0.14	0.00
Class I Price, 4.0% Butterfat	\$5.14	\$4.96	\$5.36

Per \$ 1000.51 (a)

Supply-Demand Comparison: 1st and 2nd preceding months: August and September		
Supply: Lbs. Producer Milk (August 11,886,346 and September 11,764,431)	23,650,777	
Demand: Lbs. Net Class I Milk (August 9,473,177 and September 10,695,954)	20,169,131	
Utilization Percentage: Producer milk divided by Class I	117	
Standard Utilization Percentage: Range 110 - 114	114	
Net Deviation Percentage: Utiliz. % 117 minus Standard Utiliz. % 114	plus 3	
Supply-Demand Adjustment: 2 cents x 3 percentage points	minus \$0.06	

Since the supply in relation to the demand is more than the desired standard, the price is decreased 6 cents per hundredweight (2 cents x 3 percentage points).

SUMMARY OF COMPUTATION OF UNIFORM PRODUCER PRICES FOR SEPTEMBER 1958
Based on 21 plant reports prior to audit

	Class %	Milk Pounds	Butterfat Test	Cwt. Price @ Test	Value
Gross Class I		11,398,175	3.666		
Less Other Source		879,734	3.647		
Producer Milk Class I	89.4	10,518,441	3.677530	\$4.707323	\$495,136.99
Gross Class II		1,479,423	7.285		
Less Other Source		233,433	1.335		
Producer Milk Class II	10.6	1,245,990	8.400148	6.486102	80,816.18
TOTAL PROD. (Cl.I + Cl.II)	100.0	11,764,431	4.168769		575,953.17
Add Fractional Adjustment					.01
Add Compensatory Payment Value		157,721		0.19	299.67
Add Overage Value					81.18
Add Inventory Reclassification Value					64.71
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					5,200.49
TOTAL VALUE AT TEST		11,764,431	4.168769		581,599.23
Less Test Over $4\frac{1}{2}\%$ @ 7.4¢ per point		11,764,431	.168769	0.124889	14,692.48
TOTAL VALUE AT 4.0%		11,764,431	4.0	4.818820	566,906.75
Less Producer-Settlement Fund Reserve		11,764,431		.048820	5,743.40
UNIFORM PRICE f.o.b. POOL PLANT		11,764,431	4.0	4.77	561,163.35

SEPTEMBER 1958 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT (0-65 Mile Zone)
BUTTERFAT DIFFERENTIAL 7.4¢ PER POINT (EXCLUDES PREMIUMS)

TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE
3.0	\$4.03	3.6	\$4.474	4.2	\$4.918	4.8	\$5.362	5.4	\$5.806
3.05	4.067	3.65	4.511	4.25	4.955	4.85	5.399	5.45	5.843
3.1	4.104	3.7	4.548	4.3	4.992	4.9	5.436	5.5	5.88
3.15	4.141	3.75	4.585	4.35	5.029	4.95	5.473	5.55	5.917
3.2	4.178	3.8	4.622	4.4	5.066	5.0	5.51	5.6	5.954
3.25	4.215	3.85	4.659	4.45	5.103	5.05	5.547	5.65	5.991
3.3	4.252	3.9	4.696	4.5	5.14	5.1	5.584	5.7	6.028
3.35	4.289	3.95	4.733	4.55	5.177	5.15	5.621	5.75	6.065
3.4	4.326	4.0	4.77	4.6	5.214	5.2	5.658	5.8	6.102
3.45	4.363	4.05	4.807	4.65	5.251	5.25	5.695	5.85	6.139
3.5	4.40	4.1	4.844	4.7	5.288	5.3	5.732	5.9	6.176
3.55	4.437	4.15	4.881	4.75	5.325	5.35	5.769	5.95	6.213

ACTIVITIES OF CHECK TESTERS September 1958; Plant Scales checked 6; Plant calls 120
Samples tested - Composite 1,964, Fresh 4,871, Finished Products 234.

NOTICE OF NEW MILK BASE FORMING PERIOD

Each producer for the Chattanooga marketing area will have a NEW MILK BASE to be used in making payment to such producer during the months of March through July 1959. The 1959 daily average base will be computed by dividing each producer's total Grade "A" milk deliveries to pool plants during Sept. 1958 through Jan. 1959 by the number of days from the first day of delivery to the last day of January, inclusive, but not less than 120 days. August 1958 through Feb. 1959, producers will be paid a uniform blend price for their total milk deliveries. Milk bases should be in the CORRECT NAME of person or persons for whom BASE CREDIT is to be given. Producers (particularly partnerships) are urged to see that their name is correctly listed with the handler receiving their milk.

SUMMARY OF CHATTANOOGA MILK PRICES (4 PERCENT MILK)

Month	PRODUCER UNIFORM PRICES				HANDLER CLASS PRICES			
	Per Hundredweight				Class. I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Sept. '57	\$4.98 <u>1</u>	-	-	7.3¢	\$5.29 <u>1</u>	7.7¢	\$3.61	7.0¢
Oct.	4.92 <u>1</u>	-	-	7.2	5.36 <u>1</u>	7.9	3.55	6.9
Nov.	5.06 <u>1</u>	-	-	7.1	5.30 <u>1</u>	7.8	3.53	6.8
Dec.	4.87 <u>1</u>	-	-	7.2	5.28 <u>1</u>	7.7	3.54	6.9
Jan. '58	4.94 <u>1</u>	-	-	7.1	5.29 <u>1</u>	7.8	3.56	6.8
Feb.	5.02 <u>1</u>	-	-	7.1	5.31 <u>1</u>	7.7	3.16	6.8
Mar.	4.90 <u>2</u>	\$5.02 <u>1</u>	\$3.06	7.4	5.32	7.7	3.10	6.8
Apr.	4.57 <u>2</u>	4.83 <u>1</u>	2.98	7.2	5.37	7.7	3.02	6.6
May	4.35 <u>2</u>	4.58 <u>1</u>	2.94	7.2	5.08 <u>1</u>	7.5	2.98	6.6
June	4.33 <u>2</u>	4.48 <u>1</u>	2.95	7.2	4.96 <u>1</u>	7.5	2.99	6.6
July	4.48 <u>2</u>	4.62 <u>1</u>	3.01	7.2	4.95 <u>1</u>	7.5	3.05	6.6
Aug.	4.59 <u>1</u>	-	-	7.2	5.06 <u>1</u>	7.5	3.10	6.7
Sept.	4.77 <u>1</u>	-	-	7.4	4.96 <u>1</u>	7.6	3.45	6.9
Oct.	-	-	-	-	5.14 <u>1</u>	7.8	-	-

SUMMARY OF PRICES USED IN DETERMINING CLASS PRICES

	AVERAGE QUOTATIONS				ALTERNATIVE FORMULAS				Highest or Basic Formula
	Mid-West	Chi. 92°	Chi. Area	Wisc.	(\$-cwt-4%)				
	Cond.	Butter	Powders	Cheese	Mid-West	Butter	Butter 4	Tenn.	
Month	\$-cwt-3.5%	¢ lb.	¢ lb.	¢ lb.	Cond.	Cheese	Powder	Milk Mfg.	\$-cwt-4%
Sept. '57	3.096	61.100	14.355	33.250	3.46	3.32	3.61	3.11	3.61
Oct.	3.135	59.815	14.410	33.250	3.50	3.26	3.55	3.14	3.55
Nov.	3.150	59.375	14.450	33.250	3.51	3.24	3.53	3.19	3.53
Dec.	3.146	59.685	14.475	33.250	3.51	3.25	3.54	3.21	3.54
Jan. '58	3.133	59.375	14.535	33.250	3.49	3.24	3.56	3.19	3.56
Feb.	3.110	59.375	14.460	33.250	3.47	3.24	3.53	3.16	3.53
Mar.	3.082	59.308	14.360	32.812	3.45	3.23	3.52	3.10	3.52
Apr.	2.956	57.750	13.405	31.057	3.32	3.13	3.37	3.02	3.37
May	2.896	57.661	12.525	31.727	3.26	3.14	3.33	2.98	3.33
June	2.890	57.750	12.425	31.750	3.25	3.14	3.30	2.99	3.30
July	2.921	57.750	12.545	31.750	3.28	3.14	3.33	3.05	3.33
Aug.	2.960	58.137	12.640	31.770	3.32	3.16	3.35	3.10	3.35
Sept.	2.995	60.250	12.635	32.062	3.37	3.26	3.45	3.11	3.45

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE)

Month	GROSS POUNDS MILK 3/					Number		Deliveries Per			Prod.
	Gross	Prod.	Prod.	Base	Gross	of		Farm -- Pounds			Milk
	Cl. I	Cl. I	Repts.	Repts.	Repts.	Hdlr.	Prod.	Prod.	Base	Exc.	Test %
Sept. '57	335,146	316,740	376,370	-	401,147	21	811	464	-	-	4.29
Oct.	322,887	304,432	395,314	-	417,532	21	812	487	-	-	4.49
Nov.	361,772	344,415	389,501	-	411,005	21	811	480	-	-	4.49
Dec.	319,015	301,282	386,242	-	408,374	22	810	477	-	-	4.50
Jan. '58	333,724	316,224	386,527	-	407,418	22	804	481	-	-	4.48
Feb.	337,832	319,309	363,475	-	385,707	22	802	453	-	-	4.47
Mar.	329,719	310,776	376,313	353,279	400,141	23	799	471	442	29	4.30
Apr.	315,935	292,181	431,141	371,344	458,881	23	798	540	465	75	4.22
May	311,241	287,162	429,247	369,216	457,833	21	791	543	467	76	4.21
June	289,022	265,626	382,485	344,709	411,280	21	787	486	438	48	4.11
July	300,068	276,595	359,524	328,401	389,251	21	782	460	420	40	4.16
Aug.	324,059	297,463	383,430	-	415,307	21	781	491	-	-	4.11
Sept.	379,939	350,615	392,148	-	429,253	21	778	504	-	-	4.17

¹ Excludes Premium² For statistics only³ Other Source is Gross minus Producer; Class II is receipts minus Class I; Excess Receipts is Producer minus Base